

Reference: Levin, H., Belfield, C. Muennig, P., & Rouse, C. (2007). The public returns to public educational investments in African American males. Economics of Education Review, 26 (6), pp. 699-708.

STRUCTURED ABSTRACT

Background: Twenty-two percent of African-American males in the United States do not complete high school. This issue has profound economic consequences for society, as lower educational attainment results in lower societal income, lower tax revenues, diminished economic growth, and higher expenditures for public services such as health care and criminal justice.

Purpose: To provide a comprehensive assessment of the financial implications of investing more public resources in research-validated education interventions that improve the high school graduation rates of African-American males in the United States.

Research Design: Cost-benefit analysis; secondary analysis.

Data Collection and Analysis: An extensive literature review identified five research-validated education interventions that demonstrably improved high school graduation rates: the Perry Preschool Program; the preschool Chicago Child-Parent Centers; the Tennessee Project Star randomized-controlled experiment on reducing class size in the early grades; the Teacher Salary Increase study; and the First Things First high school initiative in Kansas City, Kansas. The estimated increase in the number of students who would ultimately graduate from high school per 100 students participating in these interventions ranged from 11 added high school graduates students to 19 added high school graduates. These estimates pertained specifically to African-American students or students from low-income families; the Teacher Salary Increase study, which did not report out findings for specific demographic groups, found an increase of 5 additional high school graduates per 100 students who received the intervention. Public costs were calculated based on the cost of the various interventions for all students plus two additional years of schooling for each added high school graduate plus state college subsidies for the number of added graduates expected to attend college. Public benefits were calculated based on the additional tax revenues of each added graduate, projected savings in public health costs per added graduate, and projected savings in criminal justice costs per added graduate.

Findings: Among these five education interventions leading to increased high school graduation rates for African-American males, the median net public benefit to society was \$166,000 per added graduate. In other words, public costs to generate additional African-American high school graduates in the median intervention were \$91,000 per added graduate, compared to public benefits of \$257,000 per added graduate. The net public benefit of the five education interventions ranged from \$136,000 to \$197,600; the corresponding benefit/cost ratio ranged from 2.13 to 4.35, indicating that every \$1 invested in these education interventions returned \$2 to \$4 of benefit to society. The

cost-benefit analyses used in this study employed conservative estimates; the economic value of these education interventions to society is likely considerably higher.

Conclusions: Public investment in research-validated education interventions (i.e., the Perry Preschool Program; the preschool Chicago Child-Parent Centers; the Tennessee Project Star randomized-controlled experiment on reducing class size in the early grades; the Teacher Salary Increase study; and the First Things First high school initiative in Kansas City) increase the high school graduation rates of African-American males yields large public benefits. Over half of these benefits would accrue to the federal government, which at present contributes less than 10% of the budget for K-12 schooling.